

PRESS RELEASE

HDFC Life registers highest growth in individual new business in 2010-11; only company to register positive growth in new regime (H2, 2010-11)

Continues to be the fastest growing company with 26% YoY growth and the only one among the top 5 private players to be on positive YoY growth; Strongest market share gain of 4.2% in private space in 2010-11

Mumbai, May 4, 2011: HDFC Life, one of India's leading private life insurance companies, registered highest growth of 26% in individual new business (regular and single) among the top 5 private life insurance players in 2010-11. HDFC Life recorded 36% growth in renewal premium and 29% growth in total premium in the financial year 2010-11.

Announcing the company's financial results, **Mr. Amitabh Chaudhry, MD& CEO, HDFC Life**, said, "I am extremely satisfied with our performance in 2010-11. In spite of significant challenges in the market, we responded extremely well and demonstrated significantly better traction than our competitors. Our proactive efforts on gearing up the organization to face challenges in the market reflect in the early signs of adapting well to the new regime. We ranked 1st in H2 FY2010- 11 in individual business in the industry and we are one of the very few private insurers to achieve positive growth in FY2010-11. Our consistent focus on creating awareness about life insurance as long-term financial instruments has resulted in our customers exhibiting renewed focus on life insurance reflected in our high conservation ratio of 81%."

Key Financial and Operational Highlights (2010-11):

- Robust growth of 29% in total premium income to Rs. 9004 crore from Rs. 7005 crore in 2009-10
- 26% growth in individual new business (regular and single) to Rs. 3488 crore from Rs. 2753 crore in 2009-10
- High quality of existing policies & continuous focus on persistency lead to 36% increase in renewal premium of Rs. 4924 crore from Rs. 3627 crore last year
- Strongest market share gain of 4.2%* in private space in 2010-11 over same period last year; Market share increased to 12.9% in private space in 2010-11 from 8.7% in 2009-10; Overall market share increased to 5.9% in 2010-11 from 4.6% in 2009-10
- With growth of 1.6%* in H2, 2010-11, stood first in the industry in individual business; Stood 3rd in the private space in 2010-11 in total premium
- Conservation ratio (individual business) improved substantially to 81% in 2010-11 from 72% in 2009-10
- 31% growth in Assets Under Management over March 31, 2010 to Rs. 27,177 crore from Rs. 20,767 crore same period last year
- Solvency ratio as on March 31st, 2011 was 172% as against regulatory requirement of 150%

- Claim repudiation ratio for FY 2010-11 is 3.97%, which means we have settled 96.03% claims
- Distribution mix - 66% from Banassurance, 31% from Agency and rest from others including Direct Sales

**The references of growth are in terms of Weighted Received Premia (WRP) of individual business*

“Management action on cost containment and productivity enhancement has seen operating expense ratio reducing over the last 3 years. We would continue to invest in nurturing new distribution channels, achieving cost leadership across the value chain, rolling out more customer-centric initiatives, and driving awareness about life insurance as a long-term financial instrument,” concluded Mr. Chaudhry.

Glossary

Weighted received premium - The sum of first year premium and 10 percent weighted single premiums and single premium top-ups

First year premiums - Regular premiums received during the year for all modes of payments chosen by the customer which are still in the first year. For e.g. for a monthly mode policy sold in March 2010 the first instalment would fall into first year premiums for 2009-10 and the remaining 11 instalments in the first year would be first year premiums in 2010-11

Renewal premiums - Regular recurring premiums received after the first year

Total premium - Total received premium during the year including first year, single and renewal premium, for individual and group business

Conservation ratio - Ratio of current year renewal premiums to previous year's renewal premium and first year premium

Solvency ratio - ratio of available solvency margin to required solvency margin

About HDFC Life:

HDFC Life, one of India's leading private life insurance companies, offers a range of individual and group insurance solutions. It is a joint venture between Housing Development Finance Corporation Limited (HDFC), India's leading housing finance institution and Standard Life plc, the leading provider of financial services in the United Kingdom.

HDFC Life's product portfolio comprises 27 solutions, which meet various customer needs such as Protection, Pension, Savings, Investment and Health. Customers have the added advantage of customizing their plans, by adding optional benefits called riders, at a nominal price.

Apart from several retail and group products in its portfolio, the company also has five optional rider benefits catering to the savings, investment, protection and retirement needs of customers. HDFC Life continues to have one of the widest reaches with more than 500 branches servicing customer needs, along with a strong base of Financial Consultants.